OSDBU UPDATE

NOTES FROM SCOTT

We have completed our review of the FY 2001 socioeconomic accomplishments for VA and are determining the winners under the Secretary's Socioeconomic Achievement Awards Program. This information will soon be sent to the Secretary for approval so we can announce the winners and distribute the awards. More information on the award winners will be forthcoming in a future issue of the *Update*.

Speaking of our socioeconomic accomplishments, we showed slight improvement in several categories over our FY 2000 accomplishments and came close in two categories for FY 2002, unfortunately VA failed to meet any of the socioeconomic goals established by the Secretary for FY 2001. Here are VA's accomplishments for FY's 2000 and 2001:

Category	Secretary's Goals	FY 2000 Accomplishments	FY 2001 Accomplishments
Small Business	40%	30.82%	31.18%
Small Disadvantaged Business	5%	4.44%	4.92%
8(a)	5%	3.90%	3.87%
Woman-Owned Small Business	6%	4.27%	4.82%
Veteran-Owned Small Business	7%	3.42%	2.31%
Service-Disabled Veteran-Owned	3%	.10%	.22%
HUBZone	2%	.69%	1.99%

Perhaps most disappointing is our accomplishments in the areas of Service-Disabled Veteran-Owned Small Businesses and Veteran-Owned Small Business. Public Law 106-50, the Veterans Entrepreneurship and Small Business Development Act of 1999, established a 3 percent goal of total procurement dollars be spent with Service-Disabled Veteran-Owned small business concerns. Additionally, the Secretary has established a goal of 7 percent for Veteran-Owned small business

concerns. As the principal advocate for veterans at the Federal level, VA should lead the Federal community in contracting with Veteran-Owned and Service-Disabled Veteran-Owned small businesses. Regrettably, VA is not a leader in this area, spending a disappointing .22 percent with Service-Disabled Veteran-Owned small business, and 2.31 percent with Veteran-Owned small business concerns in FY 2001. VA's Service-Disabled Veteran-Owned small business accomplishments are under the Government-wide average of .24 percent, and VA ranks 4th out of 12 departments and agencies with high procurement volume. It appears that all agencies are having trouble with this important goal. VA's Center for Veterans Enterprise continues its data mining initiative to develop a database of Service-Disabled Veteran-Owned and Veteran-Owned small business concerns for use by VA's acquisition professionals. I am confident this database will be an effective tool when it is rolled out.

On December 10, 2001, Secretary Principi issued a memorandum to all Under Secretaries and Assistant Secretaries calling for Small Business Improvement Plans from their respective organizations to help reinvigorate the Department's small business program. These plans are required each year by October 1st, and must identify at least three initiatives that will be undertaken during the upcoming fiscal year to improve small business contracting performance within each administration and program office having contracting authority. The plan must include qualitative factors that are measurable and address how each plan enhances VA's small business vendor base. The first plans, for FY 2002, were due December 31, 2001.

We have reviewed these plans and met with officials from the various administrations and program offices to finalize their plans. Two key elements in each of the plans are outreach and access, particularly in the area of access. The most common complaint we receive from small business concerns is the inability of the small business to get access to program officials and decision makers, to introduce their firm and capabilities. "Face

Time" as many call it, is a very important part of small business marketing strategies. One small business reported that after nearly 6 months of attempting to meet with a VA program manager, they gave up, only to learn from a large business contemporary at a trade show they were attending that the large business has easy access to the same VA program manager. You can appreciate the perception this creates, as well as the frustration on the part of small business. We realize and are sensitive to the value of VA program managers' time and believe a happy median can be achieved. Anything that you can do to assist small business with access to program mangers will be greatly appreciated, and if we can be of any help in this regard, just let us know.

To assist VA contracting officers, program managers, officials and the Department's senior leadership with monitoring and tracking the Department's socioeconomic accomplishments, OSDBU will post to our website by the 15th of each month, VA's socioeconomic accomplishments through the last day of the preceding month. In addition, this data will also be presented to the Deputy Secretary quarterly at his performance review meeting. We cannot over emphasize the importance of *timely* and *accurate* FPDS reporting, now more than ever. The information posted to the website and provided to the Deputy Secretary and others will be exactly what is reported to FPDS. Adjustments are no longer made for errors before presenting this data – so please be very careful. Some facilities have made errors in the billions of dollars (yes, that's billions with a "b"), and when you are only talking about a total $6 billion procurement budget, these errors seriously skew the Department's numbers. While the incorrect data is subsequently corrected by you and reflected in future reports, it often draws unwanted attention your way when reports show such drastic changes on a facility and Department-wide level from month to month. *(see Lisa Russell's article in this edition, "Socioeconomic Statistics")*

Turning to the important area of outreach, our Outreach Calendar is rapidly filling up. We

receive hundreds of invitations each year to attend small business conferences, trade and industry shows, making it impossible for us to attend each and every event. We rely on representation from local VA facilities for attendance at many of these events. Thanks to all that continue to help us in this regard, VA could not be so well represented without your help. To support local facilities' attendance at these events, we can now provide a stand-alone or tabletop exhibit for use by local facilities at these types of events, if available, as well as handouts and other appropriate and useful materials for distribution.

There are a number of anticipated recommendations forthcoming from the Secretary's Procurement Reform Task Force that may result in a variety of initiatives that could potentially affect small business programs and our socioeconomic accomplishments. These reforms are coming at a time when the Congress is considering increasing the statutory goal for small business from 23 percent to 30 percent. Senator John Kerry, Chairman of the Senate Committee on Small Business and Entrepreneurship is reportedly ready to introduce legislation that will do just that. According to an aide to Senator Kerry, the Senator believes that many agencies view the 23 percent small business goal as a maximum, rather than a minimum, so Congress should set a higher maximum number. Fortunately, this has never been the view of VA as evidenced by VA's long and proud tradition of supporting small business programs.

As procurement reform is implemented throughout VA, we must be ever mindful of our commitment to small business programs. I remain confident that with the help of our small business specialists and advocates in the field, we will be successful in implementing reforms that benefit veterans and small businesses, particularly Service-Disabled Veteran-Owned and Veteran-Owned small business concerns. We all need to work together in this area.

And on a final note, we continue to receive questions about the status of set-asides Woman-Owned Small Business and Economically Disadvantaged Woman-Owned Small Business. Nothing has changed since our article in the December 2001 issue of the _Update_. VA responded to the Office of Management and Budget with VA's comments by the January 11, 2002, deadline. Everyone continues to wait for publication of the proposed rule for public comment in the _Federal Register_. Stay tuned, we will update you as events warrant.

Have a great springtime everyone and thank you for your continued support of small business. Remember, _**Small Business Builds America!**_

Scott Denniston
Director

SUBCONTRACTING REPORTS

By Lynette Simmons, Procurement Analyst

A Reminder For All VA Contracting Activities

Standard Form 295 – **Summary Subcontract Report** and **Standard Form 294** – **Subcontracting Report for Individual Contracts** must be submitted annually (for the reporting period ending September 30th)

30 days after the close of each reporting period. This means that the SF 295 is due October 30th. It is the contracting officer's responsibility to ensure that the reports are submitted timely and accurately. Some of the issues that need to be addressed with the prime contractors when submitting SF 295 are:

- **Block 2 (Contractor Identification Number)** – The prime contractor must enter their nine-digit Dun & Bradstreet Number **NOT** the Contract Number.

- **Block 8 (Type of Plan)** If the plan is a **Commercial Plan**, specify the percentage of dollars on this report attributable to this agency – The Contracting Officer needs to verify the percentages along with the dollar amounts that the prime contractor reports in lines 10(a) through 16 before the form is submitted to OSDBU.

There is no block for reporting the prime contractor's major product or service lines on the SF 294. Please have the prime contractor submit in Block 15 (Remarks) their major products or service lines. This information is needed to report the Agency's subcontracting data to the Federal Procurement Data Center.

Researching the Availability of Small Businesses for Your Requirements

By Jim Dunning, Senior Procurement Analyst

As the small business proponent within the department we frequently hear of problems locating small businesses for one requirement or another. I'd like to go over the use of PRO-Net to locate potential small business offerors. Since transcription services are something that everyone needs I've selected to use that industry to illustrate the methods used to locate firms in PRO-Net.

First, we need the North American Industrial Classification System (NAICS) code, so we go to the U.S. Census Bureau's NAICS site at www.census.gov/epcd/www/naics.html and select the *NAICS Search* button in the upper left hand corner of the page. Enter "*SIC 7338*" (the SIC code for transcription services) and then hit the *Search* button. The search returns:

Index entry	NAICS Code	U.S. NAICS Title
SIC 7338 Secretarial and Court Reporting (except court reporting)	561410	Document Preparation Services
SIC 7338 Secretarial and Court Reporting (except secretarial)	561492	Court Reporting and Stenotype Services

With my NAICS code in hand I ventured forth to PRO-Net. PRO-Net is SBA's online database of small businesses. It is also the official repository of the lists of 8(a), SDB, and HUBZone companies. I retrieve the metropolitan statistical area code for the area I wanted from the Census Bureau www.census.gov/population/www/estimates/metrodef.html and enter it along with the NAICS code onto the search form and hit the button. Promptly the reply came back – none found. One of the problems with PRO-Net is that companies enter a lot of their own data and metropolitan area statistical codes are not widely known or entered. Returning to the search form, I remove the SMA code and instead select the states covering a particular contracting office. Rerunning the query brings up 267 small businesses with that particular NAICS code.

This list could be further refined to just 8(a)s (19), SDBs (21), HUBZones (0), WOB (188), VOB (31), DVOB (4), Disabled Vietnam Era Vets (1), or Native Americans (2). Not all of these firms are going to be able to handle the requirements of a multi-hospital group. PRO-Net provides the ability to view the company profiles of each company selected. It also provides the ability to download e-mail addresses of the companies. A brief description of the work and a request for responses indicating interest, via e-mail, will provide you with a quick method of determining whether or not you need to set the solicitation aside for small business or another socioeconomic category. The reverse is equally true. If you find no small businesses then you have gone a long way toward justifying use of a full and open strategy.

Total time expended is less than an hour. I've determined that there are (or are not) sufficient small businesses to justify a set-aside and I've sent each a message to gauge interest in responding to a solicitation. You'll get replies from the companies via e-mail, unless you specify a different route, in a fraction of the time it would take to draft and place a FedBizOps sources sought ad.

How to Find SDB and HUBZone Businesses

If you know the name of the firm log onto the Small Business Administration's online PRO-*Net* small business database http://pro-net.sba.gov and click on the words *"Search Database"* on the left side-bar of the page. The screen you see should be the *PRO-Net* Search Database screen. Scroll to the bottom of the page to the box labeled *"Name."* Type in the first few characters of the name of the firm and click on the box labeled **"Search using these criteria."** If the firm is found, you should click on the name to review the complete profile to determine if the firm has been certified as an SDB.

Searching for a list of SDB firms

Log on to PRO-*Net* and click on the words *"Search Database"* on the left side bar of the page. The screen you see should be the Pro-*Net* Search Database screen. To perform a search for SDB firms, click on the *"Required"* radio button in the rectangular box labeled *"Small Disadvantaged Business"* (it is to the right of the box labeled SBA 8(a) Certification). You can create a search using any combination of the fields on the search screen as your criteria. You may select a state or enter any other criteria in the other blocks to customize your search. When you are finished entering your data, scroll to the bottom of the page and click on the box labeled *"Search using these criteria"* to start the search.

Locating Historically Underutilized Business Zones

A HUBZone can be a qualified census tract, a qualifying "non-metropolitan county", or lands on an Indian reservation. To participate in the HUBZone Empowerment Contracting Program, a concern must be determined to be a "qualified HUBZone small business concern." The requirements are pretty straightforward. A company qualifies if it is,

♦ Small,
♦ Located in an "historically underutilized business zone" (HUBZone),
♦ Owned and controlled by one or more U.S. Citizens; and
♦ at least 35% of its employees reside in a HUBZone (though not necessarily the same HUBZone the business is located in).

HUBZone companies must be certified by the Small Business Administration (SBA) and will be entered into SBA's online PRO-*Net* database pronet.sba.gov. Additional information on the program itself can be located at SBA's HUBZone web site www.sba.gov/hubzone.

SBA has developed some special mapping software to help you determine if an address or area is in a HUBZone. Four capabilities for searching for HUBZone companies are provided on the SBA site:

♦ determine if an address is located in a HUBZone;
♦ determine what areas of a state are HUBZone;
♦ determine what areas of a county are HUBZone; and
♦ determine what areas of a town are HUBZone.

Once the mapping software has generated a map for you, you can navigate it. To the left of the map, you will find four "*Tool*" buttons.
Zoom In - Use this button to display a smaller section of the map in greater detail. For example, with a series of clicks, you can "zoom in" from a map showing a state, to a map showing a county, to a map showing a census tract, to a map showing a street.
Zoom Out - Use this button to display a larger section of the map in less detail. For example, with a series of clicks, you can "zoom out" from a map showing a street address, to a map showing a census tract, to a map showing a county; to a map showing a state.
HUBZone Status - Use this button to determine whether a point on a map is in a HUBZone. If you want to determine if a place that is shown on a map is in a HUBZone, click the HUBZone STATUS button, move the cursor to the point you are interested in, and click. If you want to determine if a point that is not shown on the current map is in a HUBZone, click the ZOOM OUT button until you can see the area you are interested in, click the HUBZone Status button, move the cursor to the desired location, and click; then

click the ZOOM IN button until the desired level of map detail is obtained.

Recenter - Use this button to "center" the map in another place. If you want to examine another area that is shown on the map, click the RECENTER button, and move the "hand" cursor to the desired location, and click. If you want to examine another area that is not shown on the map, click ZOOM OUT button until you can see the area; click the RECENTER button; move the "hand" cursor to the desired location, and click; then click the ZOOM IN button until the desired level of map detail is obtained.

By using these tools, you can do "top-down" "bottom-up" determinations from virtually any given map. For example if you start with To Determine What Areas of a County are HUBZones, from the resulting map, you can go to a specific address, zoom down to a census tract, or zoom up to a state.

Socioeconomic Credit for FSS Contract Holder vs. Contract Distributor

By Lisa Russell, Senior Procurement Analyst

Federal Supply Schedule contractors can have numerous distributors. However, there is only one contract holder per contract number. When reporting a delivery order against an FSS contract or using a blanket purchase agreement (BPA) established against an FSS contract, it is the contract holder, not the distributor, which should be reported. Therefore, if the contract holder is a large business and the distributor is a small business, the FPDS report should reflect the name, DUNS number, type of contractor, and tax identification number for the large business. Additionally, the BPA number will not appear on the FPDS report, as only the contract number and order number are required.

FPDS Connect has a "shell" type of FPDS report for FSS contracts. This shell was submitted by the VA National Acquisition Center or the GSA FSS office and contains information on the contract award. When the ordering office submits a delivery order report using Kind of Contract Action G, FPDS

Connect searches for an FSS shell with the same contract number. When that FSS shell is found, the program overlays the shell data onto the ordering office's delivery order report. This overlay process occurs with the type of contractor and other socioeconomic fields. If the ordering office's FPDS report shows a small business and the FSS shell shows a large business, the program will convert the small business entry to a large business.

If the ordering office believes that the shell data is incorrect in the socioeconomic fields, please provide information to OSDBU that reflects the different socioeconomic status. This information can be a copy of the contract, information from GSAdvantage, or other sources of information. OSDBU will contact the appropriate NAC or GSA office and attempt to resolve the discrepancy.

Socioeconomic Statistics

By Lisa Russell, Senior Procurement Analyst

In previous years, OSDBU provided the socioeconomic statistics of each contracting activity on a quarterly basis. If a contracting activity made an error in reporting the dollar amount of award and reported in millions or billions instead of thousands, OSDBU made a manual adjustment to the OSDBU socioeconomic spreadsheets that prevented the error from appearing in the contracting office's socioeconomic statistics for three months. The contracting office was notified of the error and was responsible for correcting it.

This year OSDBU will provide socioeconomic statistics on a monthly basis. Because the statistics are now provided on a more frequent basis, OSDBU will no longer make manual adjustments to the OSDBU socioeconomic spreadsheets when million or billion dollar errors occur. When an error occurs that reports the dollar amount in millions or billions instead of thousands, OSDBU will notify the contracting office of the error and provide information on the identity of the contract or order in question. The contracting office is responsible for correcting that error timely. In the meantime, the

OSDBU socioeconomic spreadsheets will reflect the amount input in error and will continue to do so until the reports process again on the first workday of the next month. If the error is still not corrected at that point, it will be carried on the OSDBU socioeconomic spreadsheets until it is corrected. Since

FPDS data is released to the Congress, Executive Branch, and the public, it is highly recommended that errors of this magnitude be corrected promptly.

UPCOMING EVENTS
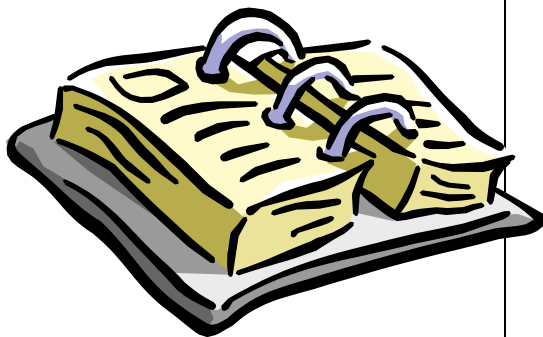
April 2, 2002
Government Procurement Connections 2002
George R. Brown Convention Center
Houston, Texas
For more information
(713) 837-9037

April 3, 2002
Alliance 2002 Opportunities for Small Business
Meydenbauer Center
Bellevue, WA
For more information
(425)-743-4567

April 3-4, 2002
35th Anniversary Chicago Business Opportunity Fair
Chicago Navy Pier
Chicago, Illinois
For more Information:
(312) 263-0105

April 3-4, 2002
Regional Minority Purchasing Council
26th Annual Business Opportunity Fair
David L. Lawrence Convention Center
Pittsburgh, PA
For more information
www.prmpc.org

April 19, 2002
Senator Paul Sarbanes and Senator Barbara Mikulski
Technology Opportunities Conference
Garrett Community College
McHenry, Maryland
For more information:
www.giecworks.com

April 23, 2002
12th Annual OSDBU Directors Procurement Conference
Show Place Arena
Upper Marlboro, Maryland
For More Information:
(800) 878-2940 Ext. 226

May 8-10, 2002
SBA 35th Annual Industry & Procurement Conference
Renaissance Hotel
Washington, DC
For more information
www.sba.gov/gc/35thprocurement

April 29 - May 2, 2002
The 2002 Reservation Economic Summit &
American Indian Business Trade Fair
Hyatt Regency
New Orleans, Louisiana
For More Information:
www.ncaied.org
FAX (480) 454-4208

May 7, 2002
CelebrAsian 2002 Conference
Sheraton New york Hotel & Towers
New York City, New York
For More Information:
(202) 296-5221

May 6-8, 2002
National Procurement Opportunities Conference &
Trade Show
Alexis Park Resort
Las Vegas, Nevada
For More Information:
(847) 294-7274

May 19, 2002
DOE 3rd Annual Small Business Conference
Orlando World Center Marriott
Orlando, Florida
For more information
www.smallbusiness-outreach.doe.gov/annual

May 28-30, 2002
Teaming to Win Conference
Mountaineer Gaming Resort
Chester, West Virginia
For more information
www.teamingtowin.org

May 30, 2002
Rep. Ike Skelton Procurement Conference
Central Missouri State University
Warrensburg, Missouri
For more information
(573)-882-8058

June 4, 2002
2002 Procurement Conference
Sequoia Conference Center
Buena Park, California
For more information
osakis@gte.com

June 19-20, 2002
NWBOC's Annual Procurement Fair
Salt Palace
Salt Lake City, Utah
For more information
Jlange1019@aol.com

Remember!!

OSDBU can provide you with handout information such as diskettes or brochures. Please contact Ilene Waggoner at 202-565-8127 or Ilene.waggoner@mail.va.gov if you would like items sent to you.

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